

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
MINUTES

1. Roll Call

Chairperson Billings called the meeting to order at 3:02 p.m. Monica Musaraca called the roll and a quorum was declared. Attendance is reflected below:

Member	Present	Absent
Donald Billings, Chair	X	
Linda Cocking	X	
Christopher Dull	X	
Jack Kubota	X	
Barry Newman	X	
Jim Peugh	X	
Charles Richardson	X	
Irene Stallard-Rodriguez	X	
Todd Webster	X	
Gail Welch <i>(arrived at 3:09)</i>	X	
ExOfficios		
Scott Tulloch		X
Augie Caires, Alternate (for Scott Tulloch)	X	
Yen Tu		X

2. Workshop on the Development of the IROC Annual Report

Chairperson Billings asked if any members of the public would like to address the IROC, there were none. He gave a brief background of the Draft Annual Report (Report) progress. He mentioned an Ad-hoc Report Writing Committee had been created to draft the Report, composed of himself and the Chairs of the Finance, Public Outreach, Education & Customer Service, and Environmental & Technical Subcommittees, which met and discussed format and content and has succeeded to prepare a number of drafts. The final draft had been circulated to the IROC members for their review for this meeting on January 23, 2009.

Chairperson Billings stated the Ad-hoc Committee has met with Senior Management of both Departments to review the report and gather feedback recently. He stated the purpose of today's Special Workshop is to take feedback and to vote to adopt the Report for publication at the next meeting of February 9, 2009.

He asked members of IROC to weigh in with thoughts on whether this report addresses everything members believe should be addressed, secondly whether there are any items that any members feel need to be revised, added to or struck from the Report, and last, if there are any items any members feel are not supported by fact. He then solicited comments on the Report.

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
MINUTES

Committee Member Webster commended the IROC Ad-hoc Committee for the immense amount of work and time and effort put into this Report. He did note there is no Executive Summary, and with the Report being so large, he wanted to know why the Appendix A is not brought forward in the document, somewhat like an Executive Summary, being the Report is so lengthy. Chairperson Billings stated he encourages people to read as much of the Report as possible, however, this was brought up in the Ad-hoc Committee and this is the structure that was decided upon. He offered the idea of highlighting the fact that Appendix A is included in the Report, listing the Recommendations and where it can be found in the Report, perhaps in the beginning of the Report, as an alternative.

Committee Member Richardson then pointed out the 2nd paragraph on page 3 of the Report, which introduces Appendix A, could be bold or made more visible than it is. He made clear that the Report includes the series of Recommendations, but the Recommendations are NOT the report, but a product of the Report. He recommends highlighting more intensely, the existence of Appendix A. Committee Member Peugh stated he feels the reader may not read the full Report, if Appendix A is highlighted as such. Committee Member Richardson stated he feels what is likely to be read are the Recommendations. Mr. Caires spoke, in his experience many of the audiences may only read the Executive Summary, and he encourages including one, so the reader can get a full summary of the entire document if they do not want to read it in its entirety.

Committee Member Kubota offered his comments, stating he would like to see some highlights on the accomplishments made over the past year by the City staff. He feels the City has done an incredible job, and would be good information for the public at large and the rate payers to see. Chairperson Billings concurred, and suggested perhaps in a transmittal letter. He also stated any suggestions can be sent to him directly by email, as he is Editor to the document.

Chairperson Billings mentioned the Executive Summary request and asked the IROC which of the two options would be preferred. The first option is to write an Executive Summary; the alternative is to direct readers in the introduction to Appendix A, in the existing Report as written, which would serve the same function the Executive Summary would. After deliberations amongst the Committee Members, it was decided that the original structure would work fine. Chairperson Billings asked if the IROC would be willing to leave the structure as is, and capture Committee Member Kubota's request in a letter of transmittal, the IROC concurred.

Chairperson Billings stated he would start with Appendix A, going through each recommendation for comments and suggestions. These are outlined below:

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
M I N U T E S

Recommendation 1 - The use of rate structures to enforce water/wastewater conservation

Committee Member Newman stated this Recommendation refers that IPR is a “major recommendation” and uses pricing as an incentive or disincentive. He understands the concerns with cost, but he believes there is validity in reclamation or reused water. He feels effort should be spent on IPR, but should not be limited to, adding reclamation as an option open to the City. Secondly, he stated in regard to the pricing differential as an incentive to IPR, he would like to show there should be building codes or regulations which restrict the use of potable water for non-potable purposes.

Committee Member Richardson stated one of the challenges with the non-potable reclaimed water is the distribution system. The expansion of the purple pipe indicates the existing demographics of San Diego, and makes it a challenge with the major system to expand a duplicate system. Chairperson Billings clarified that there is no intent in the Report to suggest that there is favoring of one over the other. Chairperson Richardson suggested placing wording to the effect that if there is an opportunity to create a distribution system or the use of reclaimed water that is non-potable at an efficient level for the ratepayers it should be pursued aggressively.

Committee Member Welch recommends including or revising a paragraph in regard to the cost of reclaimed water. She feels if there is not more than a “10% discount”, it may disincentivize customers. Chairperson Billings stated this was discussed with management recently, and at this point the only way to find out how much of a commodity people will buy at a particular price would be to price it, or conduct a survey otherwise it is very difficult to know. Committee Member Richardson proposed a change, he believes that “a lesser discount should be assigned” without specifying a number, as it is unknown. Chairperson Billings concurred.

Committee Member Dull asked if Ocean Water Desalination could be included in future IROC discussion. Committee Member Peugh stated he would like to have brackish ground water desalination consideration as well. Chairperson Billings took note of this.

The following comments were taken out of order, but should be included as part of this Recommendation: Chairperson Peugh stated this recommendation covers both IPR and pricing for non-potable reuse, which can be confusing. He recommends they be listed as separate points.

Chairperson Newman suggests in regard to the final document, page 12 paragraph 5, second sentence, the last portion of the sentence could be revised. Committee Member Kubota pointed out under Recommendation #4, this same sentence is repeated in the second paragraph. After discussion, it was decided to revise the sentence and to remove the word “pharmaceuticals”. Chairperson Newman also asked if the word “overseer” can be changed to reflect the IROC is an “oversight” committee. Chairperson Billings said this will be discussed with the Ad-hoc Committee.

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
M I N U T E S

Recommendation 2 – A need for more effective communication of critical issues to educate ratepayers

Chairperson Billings noted some language had been added since the distribution of the Draft, to give credit to the efforts by the Mayor and leadership of the Water and Metropolitan Wastewater Departments to get the word out about the challenges faced.

Recommendation 3 – Preparing alternatives to address the PLWTP waiver issue in the future

Chairperson Billings stated there had been some language revisions to describe this as a tentative decision to approve the Point Loma Wastewater Treatment Plant variance. No other changes have been made.

Recommendation 4 – Allocating additional resources to further reduce the potential occurrence of water or wastewater system breakdowns

Chairperson Billings mentioned slight revisions have been made since circulation of the Draft to substitute the word “breakdowns” to “water line breaks” and “sewer line spills”.

Recommendation 5 – Capital Improvement Project identification and optimization

No comments.

Recommendation #6 – Improve analysis and planning of responses to system vulnerabilities

No comments.

Recommendation #7 – The use of rate structures to enforce water/wastewater conservation

No comments.

Recommendation #8 – Sub-metering of multi-family residential buildings

No comments.

Recommendation #9 – Membrane Biological Reactor (MBR) Wastewater Treatment

Committee Member Webster stated he feels if one specific technology is mentioned as the most promising technology, it should be known there are many other technologies that will be developed over the next 5-10 years. He offered language that could include that other forms of new technologies should be looked at. Committee Member Dull concurred. Committee Member Newman suggested language to list examples of new technologies that perhaps Committee Member Webster can supply. Committee Member Webster agreed and believes MBR is a very good technology but there may be other forms of new technology in the future. Chairperson Billings agreed and asked the examples to be sent directly to him.

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
M I N U T E S

Recommendation #10 – Disposal of Biosolids

No comments.

Recommendation #11 – Continued emphasis on green technology opportunities

Committee Member Welch suggested to modify the language to add energy efficiency to the Recommendation, which has a lot of potential that is unexplored. Committee Member Kubota pointed out Pt. Loma with partnership, is putting in a new Cogen station which is a classic example for becoming more “green”. Chairperson Billings took note of these comments.

Recommendation #12 – Supplemental resources in support of IROC’s assigned responsibilities

Chairperson Billings made clear that IROC is not an “auditor” or a “technical advisor”. It has been suggested that resources are available to have expert guests, and is supported by at least one member of City Council. He reminded the IROC this is an opportunity to take in future meetings. Committee Member Peugh suggested including any training or analysis that may be necessary. Chairperson Billings took note of this and stated he would add language to pay for outside experts and potential analysis.

Chairperson Billings concluded by asking for any other comments or deletions from the document, and reminded the Committee to send editorials or last minute comments to the Ad-hoc Committee.

Committee Member Kubota suggested the IROC’s recommendations to see enhancement or expansions so the City’s workforce. Chairperson Billings pointed out one of the future work items will be to monitor the Department’s consolidation process, and this could be a place for this suggestion. Committee Member Kubota concurred.

3. IROC Members’ Comments

Committee Member Dull suggested moving Recommendation #7 to the front portion of the split of the 12 Recommendations, removed from the 6 lesser significant Recommendations. Chairperson Billings concurred.

Committee Member Webster commended the Ad-hoc Committee for their tremendous effort in this task. He suggested the way the titles of different parts are labeled and how it flows with subset numbers, etc. could be done in a more consistent manner to make it easier to read. Chairperson Billings concurred.

Committee Member Newman mentioned in regard to pricing both as conservation and as a supply issue, he would like to make sure it is visible that restrictions upon use are also techniques that would help ensure potable water is not wasted for non-potable purposes. He said he can offer suggestions via email to the Ad-hoc Committee.

Independent Rates Oversight Committee – IROC
Special Workshop
January 29, 2009
MINUTES

Committee Member Welch states as a commercial/industrial rate payer point of view, she pointed out in Appendix J, she feels on page 34, 5th paragraph, there are companies that use process water and cooling towers, and do not have access to reclaimed water. She feels it should be distinguished in this section, and made a separate category. For example, could read process water is different from personal use water, and is critical to some business operations. Chairperson Billings took note of this, and asked her to send him the language preferred.

Committee Member Cocking mentioned in Appendix M, page 44, Item 2, there is much detail about giving incentives other than rebates (i.e. Charger tickets). She feels it is unnecessary and should be removed. Chairperson Richardson stated this was an incentive idea in addition to the regular rebate incentives, to get the customers attention and would possibly look at as an opportunity, and the cost would be minimal. Chairperson Billings added this type of incentive can highlight the citizens that do make the succeeded effort. Chairperson Peugh feels it is a good chance to publicly recognize citizens who go above and beyond. Chairperson Billings stated the Ad-hoc Committee will discuss.

Chairperson Kubota feels all of the work involved by the City to complete such tasks is a very important investment being made, and perhaps can be woven into the Report.

Chairperson Billings asked for all editorials to be sent to him within 24-48 hours.

Adjournment of IROC

At 4:30 p.m. Chairperson Billings called for a motion to adjourn, Committee Member Newman moved, Committee Member Kubota seconded, unanimously the meeting was adjourned.

Recording Secretary: _____
Monica Musaraca